

SEISMIC SAFETY COMMISSION

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Memorandum

To: Commissioners

From: Henry Sepulveda
Director of Legislation

Subj: Legislative Report

This Report covers the 2001-02 Legislative Session from January 2001 through August 2001. The Legislature adjourned its regular session on September 14, and is scheduled to return for the second half of the current session in January 2002.

I. Commission-sponsored Legislation.

One Commission-sponsored bill --**AB 184 (Liu)** was approved by the Legislature and signed by the Governor in September. **AB 184** promotes mitigation by private owners by making technical corrections in existing law relating to tax exemptions for seismic retrofit construction.

Five other Commission-sponsored bills remain pending in various committees of the Legislature and are eligible for action when the Legislature reconvenes in January.

- **AB 977 (Alquist)** proposes full, ongoing funding for the Commission's Earthquake Emergency Investigations Account. The bill is on the Suspense File of the Senate Appropriations Committee.
- **AB 1118 (Corbett)** extends and expands an existing program in the Department of Insurance that provides loans and grants for residential seismic retrofit improvements. The bill was approved by the Legislature and is awaiting the Governor's signature
- **SB 717 (Speier)** authorizes the issuance of \$600 million in state bonds to finance seismic retrofits of residential housing and local government buildings. It was approved by the full Senate and is on the Suspense File in the Assembly Appropriations Committee.
- **SB 629 (Alarcon)** relating to the regulation of high storage inventory racks is on the Suspense File of the Senate Appropriations Committee (2-year bill).
- **SB 998 (Alarcon)**, also pending on the Suspense File of the Senate Appropriations Committee, is a 2-year bill that directs the Governor's Office of Emergency Services to develop a Statewide Disaster Recovery Plan.

- **AB 724 (Corbett)**, also a 2-year bill, encourages schools' preparedness for earthquake safety by proposing periodic on-site inspections and offering rewards for schools that meet the standards. The measure is pending before the Assembly Appropriations Committee.

II. Other Legislation (Highlights).

In addition to sponsoring legislation, the Commission also monitors and reviews other legislation pending before the Legislature. When appropriate, the Commission takes formal positions on other legislation. The Commission's positions are communicated to the authors of those bills, as well as the policy and fiscal legislative committees that consider and vote on the bills.

HOSPITAL SEISMIC SAFETY.

The Commission closely monitored the progress of **SB 842** (Speier), which proposed a 5-year extension of the existing January 2008 seismic structural deadline for hospitals (acute care facilities). The bill was much amended (three times in the final week of the Session) and failed to get approval on the Assembly floor at the end of the Session. The enactment of SB 842 was linked to the enactment of **AB 557** (Aroner).

AB 557 was amended on September 14 (last day of the session) to authorize the issuance of \$2 billion in state bonds to provide financial assistance to hospitals to comply with the SB 1953 deadlines. The bonds would be issued \$1 billion in 2004 and \$1 billion in 2006. AB 557 failed before the Senate Appropriations Committee on September 14.

The Legislature approved and the Governor signed **AB 656** (Chan) which effectively grants a one-time extension of nonstructural seismic requirements (to January 2003) to Alameda County-owned hospital facilities.

FIELD ACT.

The Commission opposed **AB 424** (Runner) which would allow community colleges the option to build facilities in compliance with either the Field Act or the Uniform Building Code (CBC). Existing law requires that community college buildings be constructed in accordance with the Field Act. The Legislature approved **AB 424**, but restricted its application to "joint-use" facilities (buildings to be shared with UC and CSU). The Governor vetoed the bill, citing his interest in protecting the Field Act.

DESIGN BUILD CONTRACTING

AB 1402 (Simitian) authorizes design-build projects for school facilities that exceed \$10 million and requires the Superintendent of Public Instruction to develop guidelines (consulting with SSC) for design-build projects. Projects would need prior written approval of the plans by the Department of General Services and include school-hired IORs (per SSC recommendation).

Exhibit 2 summarizes the status, including detailed descriptions of the various bills on which the Commission took formal positions (including "Watch" positions). Staff comments on the cited bills are also presented.

Exhibit 1

**Status of Commission-Sponsored Legislation
2001-02 Session**

Bill No.	Description	Status
AB 184 (Liu)	Technical Amendments to Revenue and Tax Code for residential seismic retrofit construction	Signed by the Governor.
AB 724 (Corbett).	Assessment of Schools' Earthquake Emergency Preparedness	Held in Suspense file in Assembly Appropriations. (Author chose to make this a two-year bill.)
AB 977 (Alquist)	Earthquake Emergency Investigations Account	Held in Suspense file in Senate Appropriations Committee.
AB 1118 (Corbett)	Extension of Existing Seismic Retrofit Loans & Grants Program operated by Dept. of Insurance	Held in Suspense file in Senate Appropriations Committee.
SB 629 (Alarcon)	Storage Rack Safety Study (as amended)	Held in Suspense file in Senate Appropriations Committee.
SB 717 (Speier) <u>AMENDED</u>	Seismic Safety Bond Act of 2002 (amended)	Approved by Senate. Held in Suspense file of Assembly Appropriations Committee.
SB 998 (Alarcon)	Statewide Disaster Recovery Plan	Held in Suspense File in Senate Appropriations Committee (Two-year bill).

Exhibit 2

**Selected Seismic-Related Legislative Bills in 2001-02 Session
with Commission Positions**

Hospital Seismic Safety (SB 1953 Requirements)

AB 557 (Aroner) Commission position:

Description: Authorizes the issuance of \$2 billion in state bonds in 2004 and 2006 to provide financial assistance to hospitals to comply with SB 1953 requirements.

Status: Pending before the Senate Appropriations Committee.

AB 656 (Chan) Commission Position: Support

Description: Authorizes an extension of Year 2002 nonstructural requirements for county-owned hospitals in Alameda County

Status: **Signed by the Governor.**

AB 832 (Corbett) Commission Position: Support

Description: Technical clean-up of Year 2000 legislation relating to the use of temporary facilities during seismic retrofitting projects; provides that regulations submitted in connection with Alquist Hospital Seismic Safety Act are deemed "emergency regulations."

Status: **Signed by the Governor.**

AB 1156 (Aroner) Commission Position: Support

Description: Establishes guidelines for the Safe Hospitals Bond Act of 2002 to authorize the issuance of State general obligation bonds (unspecified amount) to fund hospital construction for purposes of complying with SB 1953 requirements. Hospitals are required to provide 25% matching funds, unless waived by the Legislature.

Status: Senate Health and Human Services Committee (Suspense file).

SB 842 (Speier) Commission Position

Description: **AMENDED September 13, 2001.** Allows five-year extensions (to 2013) of existing hospital seismic safety deadlines if the hospital agrees to comply with 2030 requirements by 2013. Also authorizes OSHPD to grant up to five-year extensions on a case-by-case basis so long as the hospital submits a compliance plan that includes specific work progress milestones. Also linked the enactment of the bill to the successful enactment of AB 557 (Aroner).

Status: Assembly floor (inactive file).

SB 928 (Dunn) Commission Position: Support

Description: States legislative intent for the State to provide public funding to not-for-profit hospitals to comply with SB 1953 requirements.

Status: Pending before Assembly Health Committee.

Warehouse Storage Racks Safety

SB 486 (Speier) Commission Position: Support, if amended

Description: Requires the installation of safety devices on shelving that is higher than twelve feet above the sales floor of “working warehouses.” Also requires reports be submitted of all incidents that occurred and the location of the event.

Staff Comments: SSC suggested clearer identification of enforcement mechanism and agency. The amendments were not included in the enacted version

Status: On Governor’s Desk.

Field Act

AB 1632 (Pescetti) Commission Position: Oppose

Description: Permits the Grant Joint Union H.S. District to use a nonconforming former military base building (McClellan AFB) as a classroom facility.

Status: Pending since April 4 before Assembly Education Committee.

SB 709 (Alpert) Commission Position: Oppose

Description: Deletes the existing January 1, 2003 deadline for use of leased nonconforming school buildings (certified by a structural engineer as in “substantial compliance” with Field Act). Expands existing exemptions to include leased commercial buildings (with initial construction permit issued on or after January 1, 1976).

Status: Pending before Assembly Appropriations Committee.

AB 1447 (Frommer)

AB 1511 (Frommer) Commission Position: Oppose

Description: Deletes the existing January 1, 2003 deadline for use of leased or purchased nonconforming school buildings (so long as the facility is certified by a structural engineer as in “substantial compliance” with Field Act or describing modifications necessary to resist earthquake forces). Requires DSA approval of modifications; Expands existing exemptions to include leased commercial buildings.

Staff Comments: AB 1511 was amended on the Assembly floor to include all the provisions of AB 1447 (which stalled before the Assembly Appropriations Committee).

Status: Held on Senate floor.

AB 484 (Runner) Commission Position: Oppose

Description: Allows plan review, site inspection and construction of community college buildings to be in accordance with either the California Building Standards Code or with the Field Act (Under current law, community college facilities must be built in conformance with Field Act.)

AMENDED. Allows for affected buildings to be used for joint-use UC and CSU classes. Also, if this bill is to be used, a public hearing prior to the decision must be held to discuss the buildings in question.

Status: **Vetoed by the Governor.**

Design-Build Construction

AB 419 (Dutra) Commission Position: Watch

Description: Authorizes, until January 1, 2010, regional transportation authorities to use a design-bill process for bidding on transportation projects; 5% cap on retention. As amended, this bill further specifies design build use for highway projects.

Status: Pending (since June 19) before Senate Transportation Committee.

AB 1415 (Leach) Commission Position: Watch

Description: Authorizes the City of Brentwood to use design-build contracting.

Status: Pending (since May 8) before Assembly Business and Professions Committee.

AB 1543 (Firebaugh) Commission Position: Watch

Description: Authorizes a pilot project in Los Angeles U.S.D. to enter into design-build contracts for the construction of two school construction projects (not to exceed \$10 million in combined project costs).

Status: Pending (since July 11) before Senate Education Committee.

SB 356 (Johannessen) Commission Position: Watch

Description: Authorizes the cities of Benicia, Vacaville and Woodland to use design-build contracting (for projects with costs under \$50 million).

Status: Pending (since May 2) before Senate Local Government Committee.

AB 1402 (Simitian) Commission Position: Watch

Description: Authorizes design-build projects for school facilities that exceed \$10 million; Requires the Superintendent of Public Instruction to develop guidelines for design-build projects and require prior written approval of the plans by the Department of General Services.

AMENDED. Added requirements for an interim report to be submitted to the Legislature that is due by Jan. 1, 2004 and a final report, due by Jan. 1, 2006.

Status: **Signed by the Governor.**

Emergency Services

AB 1432 (Corbett) Commission Position: Support.

Description: Adds mitigation activities performed by local agencies to the list of items eligible for funding under the Natural Disaster Assistance Act.

Status: Enrolled and sent to the Governor.

Seismic Safety Infrastructure

SB 856 (Costa) Commission Position: Support.

Description: Allows wagering revenues to be used for seismic improvements at satellite wagering centers.

Status: Pending (since May 21) before Assembly Governmental Organization Committee.